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## County of Los Angeles COMMUNITY AND SENIOR SERVICES

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*Enriching Lives Through Effective And Caring Service*



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Cynthia D. Banks  
Director  
Otto Solórzano  
Chief Deputy

January 08, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

12 January 8, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

### **APPROVAL TO EXECUTE A SOLE SOURCE CONTRACT WITH LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION FOR LAYOFF AVERSION SERVICES AND INDUSTRY CLUSTER STUDY ANALYSIS**

#### **SUBJECT**

Community and Senior Services (CSS) seeks delegated authority to: 1) enter into a sole source contract with Los Angeles County Economic Development Corporation (LAEDC) to provide Layoff Aversion Services and Industry Cluster Study Analysis using federal Workforce Investment Act (WIA) grant funds; 2) allocate such funding to LAEDC for a three-year period with one (1) option year for a maximum contract term of four (4) years; 3) execute future amendments with the recommended firm to exercise CSS' option to extend the term of the contract as appropriate; increase or decrease the contract amount; and periodically update the terms and conditions, as necessary. Layoff Aversion Services and Industry Cluster Study Analysis are WIA Rapid Response (RR) activities that assist in the development of strategies for addressing future worker dislocations in the local area, averting job layoffs, and collecting workforce intelligence from business and industry representatives to identify, analyze, and address business workforce development needs in selected industry sectors.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Director of CSS, or designee, to enter into a sole source contract (Contract) with LAEDC in an amount not to exceed \$500,000 annually in federal WIA grant funds for the provision of Layoff Aversion Services and Industry Cluster Study Analysis. The Contract shall become effective on the date of execution for an initial contract term of three (3) years with the option to extend up to one (1) year on a month to month basis for a total contract term of four (4) years, after County Counsel (Counsel) approves the Contract as to form. Overall funding for this firm is estimated subject to the availability of funds each fiscal year, the firm's performance, and

community needs.

2. Delegate authority to the Director of CSS, or designee, to: 1) execute future amendments throughout the contract term, including exercising the option to extend the contract, as appropriate; 2) execute amendments throughout an exercised option-year; 3) make standard updates to contract terms and conditions; and 4) increase or decrease the contract amount in response to availability of funding and contractor performance as determined by CSS, which warrants an amendment, changes which affect the total available funds, and current community needs. Execution of all amendments will be contingent upon the Director of CSS, or designee, provided that: (a) any increase does not exceed 10% of the maximum contract sum, and the total allocation does not exceed funding availability, (b) Counsel approval as to form is obtained and (c) the Director of CSS, or designee, confirms in writing to the Board and the Chief Executive Office (CEO) within 30 days after such amendments have been executed. This action would ensure full expenditure of WIA funds for the provision of Layoff Aversion Services and Industry Cluster Study Analysis and is consistent with the Board's policy requiring review of contractor performance.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will enable the County to supplement RR services, which are provided to directly assist affected businesses and workers in order to mitigate the impact on the local economy regarding mass layoffs, business closures, and natural or other disasters.

Layoff Aversion Services and Industry Cluster Study Analysis would allow for the collection of real-time workforce intelligence directly from business and industry representatives. Through the use of economic data, occupational analysis, and workforce development research, efforts to identify emerging and innovative industries and the weaknesses, strengths, and opportunities in the regional economies and key industry clusters would be achieved, thereby developing strategies for linking with economic development and business retention/recruitment activities, reducing the rate of business failure, and averting layoffs in the local area.

### **Performance Measures**

Service performance will be measured on specific service requirements, as mandated by the Contract.

### **Implementation of Strategic Plan Goals**

The recommended actions support the County of Los Angeles Strategic Plan 2012 Update, Strategic Plan Goal 1: Operational Effectiveness – maximize the effectiveness of the process, structure, and operations to support timely delivery of customer-oriented and efficient public service.

### **FISCAL IMPACT/FINANCING**

There is no net County cost associated with the recommended actions as the Contract will be fully funded by federal WIA grant funds within CSS' approved budget for Fiscal Year 2012-13.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract with LAEDC shall become effective on the date of execution for an initial contract term of three (3) years with the option to extend up to one (1) year on a month-to-month basis for a total contract term of four (4) years, after Counsel approves the Contract as to form.

Layoff Aversion Services and Industry Cluster Study Analysis are WIA RR activities pursuant to Section 665.320 of Title 20 of the Code of Federal Regulations (CFR) and are also employment generating activities listed in Section 667.262 of Title 20 CFR. WIA RR activities are provided to directly assist affected businesses and workers in order to mitigate the impact on the local economy regarding mass layoffs, business closures, and natural or other disasters.

Layoff Aversion Services and Industry Cluster Study Analysis services assist in the development of strategies for addressing future worker dislocations in the local area, averting job layoffs, and collecting workforce intelligence from business and industry representatives to identify, analyze, and address business workforce development needs in selected industry sectors. Services include industry stakeholders convening to investigate, analyze, and address business workforce development needs in selected industry sectors. Selected industry sectors with highest priority with special consideration of "green jobs" where available in each sector are: 1) Healthcare; 2) Construction; 3) Hospitality and Tourism; 4) Engineering and Green Jobs; 5) Bio-technology/Bio-medical; 6) Logistics, Transportation and Goods Movement; 7) Finance; and 8) Utilities.

In accordance with the County's procurement process, CSS released a RFI for Layoff Aversion Services and Industry Cluster Study Analysis on November 19, 2012.

CSS anticipates contracting via a noncompetitive procurement under CFR, Title 29 – Labor, Part 97.36 (d)(4) (procurement by noncompetitive proposals) as a result of inadequate competition after solicitation of a number of sources.

Counsel and CEO have reviewed this Board Letter. Contract approval as to form by Counsel will be obtained prior to execution of the contract and any amendment with the Contractor. CSS has notified the Board and the CEO of its intention to enter into a sole source contract with LAEDC.

The attached required Sole Source Checklist (Attachment A), identifies and justifies the need for a contract with LAEDC. The Sole Source Checklist has been approved by the CEO.

## **CONTRACTING PROCESS**

On November 19, 2012, CSS released a RFI to solicit Statements of Interest (SOI) from qualified vendors to provide layoff aversion services and industry cluster study analysis. CSS posted the RFI to the CSS contracting opportunities website and the Internal Services Department's bid website, which notified the 997 vendors registered on the County's WebVen under the commodity code Consulting Services – Human Services. In addition, CSS electronically notified three (3) vendors that were previously procured by the Department for related services.

Only one (1) firm, LAEDC, submitted a SOI in response to the RFI. The Department evaluated the firm's response and determined that LAEDC could provide the desired services stated in the RFI. The respondent's experience, staffing, proposed budget, and provision of program services were evaluated to ensure that the County's objectives could be met. CSS recommends awarding the contract to LAEDC through the noncompetitive procurement process pursuant to CFR, Title 29 – Labor, Part 97.36 (d)(4) (procurement by noncompetitive proposals) as a result of inadequate competition.

LAEDC is a 501(c)3 non-profit, public benefit corporation established in 1981 that has the longevity and expertise in offering economic research, applied economic analysis, public policy expertise, marketing and strategic communications, and sustained relationships with public/private entities, county organizations, cities, economic development partners and regional economic development corporations in the layoff aversion services and industry cluster study analysis sectors.

LAEDC established in 2009, and still operates, a Layoff Aversion Program (Program), which identifies Los Angeles County businesses at risk of layoffs, downsizing or relocating outside of the County. The Program received recognition from the International Economic Development Council in 2012, which awarded LAEDC the Gold Award in the Business Retention and Expansion Program of Three Years or More category. The Program has resulted in significant measurable achievements, including: 49,439 at risk businesses identified and informed of no-cost assistance and services; 112 workshops highlighting layoff aversion services and resources; 4,722 in-person consultations with business owners/executives; 215 businesses assisted; 1,128 financial assessments; 7,733 jobs retained; and 312 business retention and 294 business expansion referrals provided to cities. In addition, since 1996, LAEDC retained or attracted 177,975 annual jobs in Los Angeles County with an estimated labor income, including wages and benefits, of \$10.8 billion through its Business Assistance Program.

LAEDC has the capacity and experience to complete industry cluster study analysis as it has a team of economists that has proven its ability to conduct research on various industry sectors, both local and international, addressing employment forecasts, target industries and occupational analysis. In addition to the industry sectors identified by the Los Angeles County Workforce Investment Board, LAEDC economists will identify other sectors with promising employment growth to address workforce development needs; therefore, LAEDC staff will be able to perform the tasks sought cost-effectively without an extensive learning curve.

CSS met all solicitation requirements including: wide dissemination and advertising of the RFI, reasonable specifications, allowed adequate time frame for submission, and the solicitation of a number of sources. LAEDC was the only firm that submitted a response and met the minimum qualifications for the Layoff Aversion and Industry Cluster Study Analysis and demonstrated the capability to perform the required scope of work.

The Contract is not a Proposition A contract in which living wage laws would be applicable. CSS is not capable of providing layoff aversion services and industry cluster study analysis as being required by the local Workforce Investment Board.

#### Monitoring

Program monitoring, as well as resolution of any findings, will be accomplished by CSS staff. CSS is responsible for ensuring, through its resolution process, that the reported monitoring findings are resolved and training is provided to Contractor, if necessary, and/or program policies are developed.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will allow the County to supplement current RR services throughout Los Angeles County by assisting in devising and overseeing layoff aversion strategies for the local area; developing and maintaining means of exchanging information among local areas about potential dislocations, available adjustment assistance, and effective RR strategies; and linking businesses to

local resources that can provide businesses with information, support, and aid in retaining and strengthening their operations and workforce.

**CONCLUSION**

Upon Board approval, please e-mail one copy of the adopted Board Letter to Ms. Helen Kim at Hkim@css.lacounty.gov. If you have any questions, Ms. Kim may be reached at (213) 738-2100.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cynthia D. Banks".

CYNTHIA D. BANKS

Director

CDB:hk

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

## SOLE SOURCE CHECKLIST

\*Please refer to Board Policy #5.100, Sole Source Contracts, for further reference

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b> Identify applicable justification and provide documentation for each checked item.
✓	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between;"> <div data-bbox="240 1381 885 1514"> <u>James A. Blunt</u>  Chief Executive Office  for Antonia Jiménez </div> <div data-bbox="971 1381 1367 1480"> <u>12/26/12</u>  Date </div> </div>	

**COUNTY OF LOS ANGELES – COMMUNITY AND SENIOR SERVICES  
SOLE SOURCE CHECKLIST JUSTIFICATION**

This documentation provides justification for CSS' request to the Board for authorization to execute a sole source contract with Los Angeles County Economic Development Corporation (LAEDC) for the provision of Layoff Aversion Services and Industry Cluster Study Analysis. CSS anticipates contracting with LAEDC via the noncompetitive procurement process under Code of Federal Regulations (CFR), Title 29 – Labor, Part 97.36 (d)(4) (procurement by noncompetitive proposals) as a result of inadequate competition.

The applicable justification for this Sole Source request is as follows:

- Only one bona fide source for the service exists; performance and price competition are not available.

Community and Senior Services (CSS) receives Workforce Investment Act (WIA) funding from the California Employment Development Department to administer various employment and training programs. One of the programs, Rapid Response (RR) Program, provides services that directly assist businesses and workers affected by potential closings, layoffs, natural or other disasters in the local area in order to mitigate the impact on the local economy.

Although RR services are currently provided by CSS contractors, layoff aversion services combined with the industry cluster study analysis component are highly specialized, niche services that require experienced staff with professional experience in the following areas:

- Economic and workforce development;
- Objective economic, policy, demographic, and workforce development research to public entities;
- Evaluation of the economic return on investment of Layoff Aversion Programs conducted in Workforce Investment Board services areas throughout Los Angeles County;
- Regional economic analysis and forecasting;
- Occupational analysis and workforce development research, including forecast of Industries and Occupations for local workforce development planning; and
- Industry cluster analysis, including emerging and innovative industries.

These services cannot be performed by County employees or by the current RR contractors; therefore, CSS released a Request for Information (RFI) on November 19, 2012 to solicit statements of interest (SOI) from qualified vendors to provide layoff aversion services and industry cluster study analysis. CSS posted the RFI to the CSS contracting opportunities website and the Internal Services Department's bid website, which notified a total of 997 vendors registered on the County's WebVen under the commodity code Consultant Services – Human Services. In addition, CSS electronically notified three (3) vendors that were previously procured by CSS for related services.

The RFI resulted in the submission of one (1) SOI from LAEDC. No other vendor submitted a SOI.

CSS evaluated the firm's response and determined that LAEDC could provide the desired services stated in the RFI. The respondent's experience, staffing, proposed budget, and provision of program services were evaluated to ensure that the County's objectives could be met.

LAEDC is a 501(c)3 non-profit, public benefit corporation established in 1981 that has the longevity and expertise in offering economic research, applied economic analysis, public policy expertise, marketing and strategic communications, and sustained relationships with public/private entities, county organizations, cities, economic development partners and regional economic development corporations in the layoff aversion services and industry cluster study analysis sectors.

LAEDC established in 2009, and still operates, a Layoff Aversion Program (Program), which identifies Los Angeles County businesses at risk of layoffs, downsizing or relocating outside of the County. The Program received recognition from the International Economic Development Council in 2012, which awarded LAEDC the Gold Award in the Business Retention and Expansion Program of Three Years or More category. The Program has resulted in significant measurable achievements, including: 49,439 at risk businesses identified and informed of no-cost assistance and services; 112 workshops highlighting layoff aversion services and resources; 4,722 in-person consultations with business owners/executives; 215 businesses assisted; 1,128 financial assessments; 7,733 jobs retained; and 312 business retention and 294 business expansion referrals provided to cities. In addition, since 1996, LAEDC has retained or attracted 177,975 annual jobs in Los Angeles County with an estimated labor income, including wages and benefits, of \$10.8 billion, through its Business Assistance Program.

LAEDC has the capacity and experience to complete industry cluster study analysis as it has a team of economists that has proven its ability to conduct research on various industry sectors, both local and international, addressing employment forecasts, target industries and occupational analysis. In addition to the industry sectors identified by the Los Angeles County Workforce Investment Board, LAEDC economists will identify other sectors with promising employment growth to address workforce development needs.

CSS determined to award the contract to LAEDC pursuant to CFR, Title 29 – Labor, Part 97.36 (d)(4) (procurement by noncompetitive proposals) as a result of inadequate competition.

- It is in the best interest of the County (e.g., administrative cost savings, excessive learning curve for a new service provider, etc.).

LAEDC demonstrates it has the required experience and staffing capacity to successfully provide layoff aversion services and industry cluster study analysis. The firm's present infrastructure of resources, its current, comprehensive Layoff Aversion Program plan for the County's Workforce Investment Board region, and experienced staff of economists that are a part of LAEDC's Kyser Center for Economic Research, will enable the firm to perform the tasks sought cost-effectively without an extensive learning curve.

A sole source contract resulting from this RFI would save the County administrative costs and time. A Request for Proposals solicitation would not be appropriate since the RFI already determined the lack of providers for such services when CSS canvassed the marketplace for potential firms.

It is in the best interest of the County to approve this sole source contract with LAEDC because of the firm's established experience, knowledge, and the lack of other Respondents to the RFI, resulting in this noncompetitive procurement.